

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead - Resources****Corporate Services Committee: 19 February 2020**

Subject: Write-off of National Non Domestic Rates**1. Purpose**

- 1.1** The purpose of this report is to recommend for approval the write-off of debts in respect of National Non-Domestic Rates (NNDR), which have been deemed as irrecoverable during the financial year 2019/20.

2. Recommendations

- 2.1** It is recommended that the Committee approve the write-off of NNDR accounts totalling £567,786.04.

3. Background

- 3.1** The NNDR is a national rate of non-domestic properties and is determined each year by the Scottish Parliament. All local authorities collect the rates and the monies collected are pooled into a national central fund. The Scottish Government allocates a grant to each authority from this fund through the Local Government Finance settlement. The Council's annual billing amount for NNDR in 2019/20 is £87.7m (including utility charges). In 2018/19 the Council collected 98.63%.
- 3.2** The grant distribution formula used by the Scottish Government has regard to the amount of NNDR collectable by each local authority. The Council makes an annual return to the Scottish Government detailing the amounts collected for each year. Included in this return is a note of any amounts written off as uncollectable. As such, NNDR collected by a local authority represents a receipt of grant income. Specific debts deemed uncollectable are written off and the reduction in NNDR collected locally is compensated for in future grant settlements.
- 3.3** Financial Regulation D4 gives the Strategic Lead Resources authority to write-off individual debts up to £5,000. The Strategic Lead Resources is required to seek the approval of Members prior to writing off any debt in excess of £5,000.
- 3.4** A report is submitted annually to Committee seeking approval for write-off of irrecoverable debts. The write-offs are not specific to any one year but instead are the debts which have been deemed irrecoverable during 2019/20. The table below shows the distribution of the recommended write off over the years from which the debts were originally raised. Write off can be due to a

number of reasons, for example, a company has ceased trading or a review of outstanding cases has now deemed that the debt is irrecoverable.

Financial Year Debt Created	Value of write-off
2013/2014	£19,158.33
2014/2015	£65,257.59
2015/2016	£89,277.77
2016/2017	£100,933.24
2017/2018	£166,499.62
2018/2019	£126,659.49
Total	£567,786.04

- 3.5** Where a company has ceased trading through liquidation or administration the Council formally submits a claim to the trustee up to and including the date of liquidation/administration. At this stage the Council would propose this amount for write off. In such cases the Council is classed as an unsecured creditor (i.e. secured creditors are organisations such as HMRC and Banks) and in these cases it is extremely unlikely that any recovery of the outstanding monies will be received in full: generally low or nil recovery is the outcome. If such a recovery was received this would be credited to the rates account and the write off to this value reversed or reduced.

4. Main Issues

- 4.1** Debts totalling £567,786.04 are submitted for write off. Non-collection of debts and request for write off is predominately due to the businesses being liquidated, dissolved or sequestration. The following table identifies the reasons for NNDR write off in more detail:

Reason	Alexandria	Clydebank	Dumbarton	Grand Total
Dissolved	£26,077.33	£237,235.79	£8,321.32	£271,634.44
Liquidation	0.00	£54,766.70	£12,113.82	£66,880.52
Administration	0.00	£95,284.90	0.00	£95,284.90
Sheriff Officers ¹	£16,369.49	£104,235.89	£13,380.80	£133,986.18
Totals	£42,446.82	£491,523.28	£33,815.94	£567,786.04

The attached appendix provides a list of debts for limited companies and corresponding addresses. Individuals' personal data has been anonymised to protect the identify of individual ratepayers in accordance with the General Data Protection Regulation.

- 4.2** Although the debts are treated as written off, should any circumstances change whereby debts can be collected, the Council will pursue them

¹ Sheriff Officer advising all avenues have been exhausted and irrecoverable in collecting the rates and recommending write-off along with a brief background

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 The NNDR debts written off totalling £567,786.04 be notified to the Scottish Government NNDR pool for reimbursement. There are no Procurement implications.

7. Risk Analysis

7.1 The grant distribution formula adopted by the Scottish Government assumes the Council will collect NNDR liabilities. If sums deemed uncollectable are not notified to the Scottish Government, this will have an adverse effect on the Council's cash flow. Prudent financial accounting practice also requires that uncollectable debt should be written-off in a timely manner.

8. Equalities Impact Assessment

8.1 No issues were identified in a equality impact screening of this measure.

9. Consultation

9.1 Consultation has taken place with Legal Services and there are neither any issues nor concerns with the proposal.

10. Strategic Assessment

10.1 The write off of uncollectable NNDR debts forms part of the financial governance of the Council. Sound financial practice and budgetary control are imperative to assist with the governance of the Council and support officers of the Council in achieving the five strategic priorities.

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Date: 09/01/2020

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Appendix: Details of debts for write-off

Background Papers: None

Wards Affected: All Council Wards.

Appendix

West Dunbartonshire Council
NDR Write-Offs 2019/2020 - Over £5K

2013/2014 Specific Write-Off List as at 31/03/2020

Reference Number	Name	Address	Balance for Write-Off	Reason
37029452051435	Mountblow Inns Limited	Mountblow Bar, 832 Dumbarton Road, Clydebank	£11,027.13	Dissolved
37033166041435	Cash 4 Clothes (Scotland) Ltd	Unit 4 Alpha Centre, 10 South Douglas Street, Clydebank	£8,131.20	Liquidation
		Total	£19,158.33	

2014/2015 Specific Write-Off List as at 31/03/2020

Reference Number	Name	Address	Balance for Write-Off	Reason
37032259081536	Roma & Co Limited	53 Sylvania Way South, Clydebank	£28,482.48	Dissolved
37033166041532	Cash 4 Clothes (Scotland) Ltd	Unit 4 Alpha Centre, 10 South Douglas Street, Clydebank	£6,867.56	Liquidation
37033484041530	Cash 4 Clothes (Scotland) Ltd	Unit 6 Alpha Centre, 10 South Douglas Street, Clydebank	£9,917.05	Liquidation
37039210131535	Details Removed due to Data Protection Act	Details Removed due to Data Protection Act	£14,860.59	Administration
37039431071534	Details Removed due to Data Protection Act	Details Removed due to Data Protection Act	£5,129.91	Administration
		Total	£65,257.59	

2015/2016 Specific Write-Off List as at 31/03/2020

Reference Number	Name	Address	Balance for Write-Off	Reason
37033166041638	Cash 4 Clothes (Scotland) Ltd	Unit 4 Alpha Centre, 10 South Douglas Street, Clydebank	£8,448.00	Liquidation
37033484041636	Cash 4 Clothes (Scotland) Ltd	Unit 6 Alpha Centre, 10 South Douglas Street, Clydebank	£12,804.00	Liquidation
37035851081632	Highfleet Import Export Ltd	52 Sylvania Way, Clydebank	£25,114.72	Sheriff Officers - Dissolved
37035886111638	DMS Ventures Limited	48 Sylvania Way, Clydebank	£7,187.70	Dissolved
37037102151636	One Leap to Success Limited	Clydebank Hotel, 409 Kilbowie Road, Clydebank	£14,844.80	Sheriff Officers - Dissolved
37039210131632	Details Removed due to Data Protection Act	Details Removed due to Data Protection Act	£20,878.55	Administration
		Total	£89,277.77	

2016/2017 Specific Write-Off List as at 31/03/2020

Reference Number	Name	Address	Balance for Write-Off	Reason
37026208131731	Roslin Management Ltd	Block 11, 11 Vale of Leven Ind. Estate, Dumbarton	£7,653.80	Sheriff Officers - Dissolved

37029452071734	Mountblow Taverns Limited	Mountblow Bar, 832 Dumbarton Road, Clydebank	£8,817.05	Dissolved
37030310121734	Coop Leisure Ltd	The Chandlers, 2 Kilbowie Road, Clydebank	£6,005.82	Dissolved
37035894071735	Bali Electrical Superstore Ltd	46 Sylvania Way, Clydebank	£10,605.21	Dissolved
37036475051735	Blue Inc. (UK) Ltd	90 Sylvania Way, Clydebank	£21,094.50	Administration
37037102151733	One Leap to Success Limited	Clydebank Hotel, 409 Kilbowie Road, Clydebank	£25,158.36	Sheriff Officers - Dissolved
37039210131738	Details Removed due to Data Protection Act	Details Removed due to Data Protection Act	£21,598.50	Administration
Total			£100,933.24	

2017/2018 Specific Write-Off List as at 31/03/2020

Reference Number	Name	Address	Balance for Write-Off	Reason
37018671101836	Old Bar Ltd	Old Vale Bar, 305 Main Street, Alexandria	£5,685.23	Dissolved
37023845111830	Leven Lodgings Limited	40 Balloch Road, Alexandria	£16,369.49	Sheriff Officers - Dissolved
37026208131837	Roslin Management Ltd	Block 11, 11 Vale of Leven Ind. Estate, Dumbarton	£8,321.32	Dissolved
37030310121831	Coop Leisure Ltd	The Chandlers, 2 Kilbowie Road, Clydebank	£23,323.30	Dissolved
37030868081837	Alinna Cut Ltd	1 Sylvania Way South, Clydebank	£5,035.86	Dissolved
37035193171833	Simple Cards Ltd	3 Sylvania Way, Clydebank	£5,640.36	Dissolved
37035347121834	Doudi Ltd	55 Sylvania Way, Clydebank	£10,543.41	Sheriff Officers – Ceased Trading
37035371111830	Inspired Clyde Ltd	61 Sylvania Way, Clydebank	£6,449.28	Dissolved
37035452181831	Yillip Ltd	89 Sylvania Way, Clydebank	£6,159.98	Dissolved
37035487101830	Fone Solutions (Scot) Ltd	97 Sylvania Way, Clydebank	£9,011.93	Dissolved
37036505041830	50 States Diner Limited	23B Britannia Way, Clydebank	£11,814.50	Dissolved
37037102151830	One Leap to Success Limited	Clydebank Hotel, 409 Kilbowie Road, Clydebank	£15,009.35	Sheriff Officers - Dissolved
37087347121831	Xeno Services Ltd	Banky's Adventure Zone, 33 John Knox Street, Clydebank	£9,128.85	Dissolved
37102052031832	Your Radio Ltd	Telecommunication Site, 24 West Dunbartonshire, Local Authority	£5,265.80	Liquidation
37107569061836	On the Bridge Ltd	The Laughing Fox, 119 Bridge Street, Alexandria	£6,822.50	Dissolved
37116967011838	Your Radio Ltd	3rd Floor, 15 Meadowbank Street, Dumbarton	£6,848.02	Liquidation
37116975021830	Phoenix Fitness Centre Ltd	Unit 0016, 15 South Elgin Street, Clydebank	£7,381.44	Dissolved
37119621011837	Zumo Clyde Ltd	(Adj No 57), 57A Sylvania Way, Clydebank	£7,689.00	Dissolved
Total			£166,499.62	

2018/2019 Specific Write-Off List as at 31/03/2020

Reference Number	Name	Address	Balance for Write-Off	Reason
37002643041937	Brimlay Trading Ltd	50 High Street, Dumbarton	£5,727.00	Sheriff Officers - Dissolved
37018671101933	Old Bar Ltd	Old Vale Bar, 305 Main Street, Alexandria	£6,177.60	Dissolved
37030310121937	Coop Leisure Ltd	The Chandlers, 2 Kilbowie Road, Clydebank	£14,480.22	Dissolved
37035193171930	Simple Cards Ltd	3 Sylvania Way, Clydebank	£13,860.00	Dissolved

37035347121931	Doudi Ltd	55 Sylvania Way, Clydebank	£5,211.28	Sheriff Officers – Ceased Trading
37035347131935	Flipcardz Ltd	55 Sylvania Way, Clydebank	£8,353.97	Sheriff Officers - Dissolved
37035371111936	Inspired Clyde Ltd	61 Sylvania Way, Clydebank	£15,190.13	Dissolved
37035452181937	Yillip Ltd	89 Sylvania Way, Clydebank	£10,852.20	Dissolved
37035487101936	Fone Solutions (Scot) Ltd	97 Sylvania Way, Clydebank	£7,802.83	Dissolved
37036475051938	Blue Inc. (UK) Ltd	90 Sylvania Way, Clydebank	£11,722.85	Administration
37036505041936	50 States Diner Limited	23B Britannia Way, Clydebank	£5,605.48	Dissolved
37039431101933	Canalside Pubs Ltd	Glen Lusst Bar, 67 Dumbarton Road, Old Kilpatrick	£8,598.89	Liquidation
37107569061933	On the Bridge Ltd	The Laughing Fox, 119 Bridge Street, Alexandria	£7,392.00	Dissolved
37119621011934	Zumo Clyde Ltd	(Adj No 57), 57A Sylvania Way, Clydebank	£5,685.04	Dissolved
		Total	£126,659.49	

Notes

Administration

Going into Administration under insolvency legislation effectively means a company is being taken under the management of a court appointed administrator – who must be a licensed insolvency practitioner - appointed by the courts, creditors, or company directors, where they are required to act in the best interest of the insolvent company.

Dissolved

Where a limited company has been dissolved or struck off it legally closes and is removed from the Register at Companies House where there are reasonable grounds to believe that no business is being carried on. Dissolution officially ends a business owner's continued responsibility for taxes, debts and other commitments.

Liquidation

The process of Liquidation is when a company is either at or near to the end of its life and the remaining assets need to be liquidated for distribution to creditors and shareholders. The role of the liquidator is to maximise the realisation of assets of the company. Once the assets have been realised and if sufficient cash has accumulated then the job of the Liquidator is agree all creditors' claims and to pay dividends accordingly.

Sheriff Officers

When the Council has exhausted our in-house arrears procedures the debt is passed to our Sheriff Officers for collection. The Sheriff Officers will attempt to collect the debt using a variety of approaches and solutions which are appropriate to each individual case. In certain cases the Sheriff Officer will submit to WDC a write-off proforma, advising all avenues have been exhausted and irrecoverable in collecting the rates and recommending write-off along with a brief background.